GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:929
ANSWERED ON:06.03.2007
FRESH INVESTMENTS
Reddy Shri K. Jayasurya Prakash

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government is aware that there were numerous hurdles in the ways of fresh investments ;

(b) if so, whether the Government proposes to simplify the procedures for clearances and approvals in a bid to remove the bottlenecks in the ways of larger investment and higher growth; and

(c) if so, the details thereof and the steps taken to expedite fresh investments?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR)

(a) : The Government of India interacts with the industry at various forums. Studies by the international organizations as well as Government of India have brought out challenges for investments implementation as infrastructural bottlenecks, taxation regime and quality of delivery of Government services including certain State Governments' specific issues.

(b)&(c) : The Government of India has under taken various initiatives on continuous basis to address these concerns. E- Governance, MCA-21, Investment Policy liberalization, Single Window Systems by State Governments, Taxation Reforms including online filing; large tax payers unit, single window for payment of income tax and corporate tax, ICE-Gate for online filing of custom and excise documents, Right to Information Act 2005 and Micro, Small and Medium Enterprises Act 2006 are some of the major steps to remove procedural bottlenecks in the way of investment and higher growth. National Highway Development Programme, Accelerated Power Development Programme, Jawaharlal Nehru Urban Renewal Mission, Bharat Nirman (for rural Development), Sarv Shiksha Abhiyan (for education), Policy for Private Participation in Telecommunication Sector, National Maritime Development Programme, Public Private Partnership in Civil Aviation, Setting up of India Infrastructural Finance Ltd for viability gap funding and Special Economic Zone Act 2005 are major initiatives for social and physical infrastructure improvements. As a result, GDP has been growing at an increasing pace from 7.5% in 2004-05 to 9.2% in 2006-07. Additionally investments as a percentage of GDP also rose handsomely from 28% in 2003-04 to 33.8% in 2005-06.